

Then we should pay this debt off, use any major portion of an accumulated surplus in these times of prosperity to increase the national savings by improving the financial integrity of the Federal Government. Reducing the national debt is the best long-term strategy for the U.S. economy.

Reducing our national debt will provide a tax cut for millions of Americans because it will restrain interest rates, saving them money on mortgages, new mortgages, auto loans, credit card payments. Each percentage point increase in interest rates would mean an extra \$200 to \$250 billion in mortgage costs to Americans.

Reducing the national debt will protect future generations from increasing tax burdens. Currently more than 25 percent of individual income taxes go to pay the interest on our national debt. Every dollar of lower debt saves more than \$1 for future generations, a savings that can be used for tax cuts or for covering the baby boomers' retirement without tax increases.

Federal Reserve Board Chairman Alan Greenspan has repeatedly advised the Congress that the most important action we could take to maintain a strong and growing economy is to pay down the national debt. Earlier this year, Chairman Greenspan testified before the Committee on Ways and Means that debt reduction is a much better use of surplus than tax cuts.

He said,

The advantages that I perceive that would accrue to this economy from a significant decline in the outstanding debt to the public in its virtuous cycle on the total budget process is a value which I think far exceeds anything we could do with the money.

Virtually all mainstream economists agree that using the surplus to reduce the debt will benefit the economy and stimulate economic growth by increasing national savings and boosting domestic investment. Increasing national savings is vital to achieving the productivity growth that will be necessary to compensate for the reductions in the labor force in the next century.

All of this is very simple. It is not complicated. We are making it complicated to achieve political goals that will not last, and will cause us tremendous problems in the future.

Again, I want to thank my colleagues from Texas for their leadership in this matter. Certainly the gentleman from Texas (Mr. STENHOLM), as I said, has been a granite rock in this fight to see that we are fiscally disciplined. Again, I want to thank him for his leadership in this area, and challenge all of us to make good decisions to see that this country continues to be successful for the many, many years to come, and certainly for our children and grandchildren and those who come after us.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for his comments and his leadership within the Blue Dog Coalition, trying to do that which we talk about today. We get accused of a lot of things in Congress. Some of it we

deserve, some of it we do not deserve. But one thing that has kind of bugged us is the lack of serious attention to policy.

We spent about 4 hours today in the Committee on Agriculture dealing with agricultural problems, of which we have been a little derelict in dealing with our policy decisions. Decisions were made that have not quite worked out. When we make a decision that does not quite work out, what we do is change it. We have a budget of about \$1,700,000,000,000, every dollar of which benefits somebody. It is important to somebody. It is our decision or our responsibility to decide which is the most important, and to be as frugal as we possibly can with our taxpayer dollars. That does not mean that we ignore real problems. When they are there, we deal with them.

Mr. Speaker, I yield to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, the gentleman from Arkansas (Mr. BERRY) and I have been in this Congress, in this House, a little over 2 years now, and the gentleman has been here over 20 years. I would be interested in the gentleman's observations about the impact of our budget situation on Medicare, Medicaid, particularly in light of the fact that so many of us have begun to hear from the health care providers, the hospitals in our district, that they are increasingly feeling the pinch of reductions in reimbursement rates under Medicare.

In fact, in Texas they estimate that there may be as many as 50 hospitals closed if we in the Congress fail to provide some additional funds for Medicare. We all know in this projected budget surplus, the assumption is that there will not be any increase in Medicare. In fact, it goes down under the Balanced Budget Act of 1997, and thereafter remains below the increase that would be necessary just to keep up with inflation.

I think a lot of our health care providers understand that, and they are warning us that unless we are going to be willing to act responsibly with regard to funding Medicare and Medicaid, that we may lose some of our hospitals. For those of us in rural areas of the country, to lose a hospital would virtually close down our communities.

Mr. STENHOLM. This is one subject, Mr. Speaker, that the gentleman in the Chair now, the gentleman from Louisiana (Mr. COOKSEY), if the rules would permit him to participate in the debate at this time, I believe we would have a four-way discussion of some of the needed changes as it pertains to Medicare.

The gentleman brings up a very good and valid point. The balanced budget agreement of 1997 was a good agreement. I supported it, and everyone who was here supported it, if Members claimed to be fiscally responsible, fiscally conservative.

Do I regret supporting it? No. That was the proper thing to do. There were

compromises reached dealing with Medicare and Medicaid and other spending that needed to be done, and it was judged by the best judge of our actions, the market, to be responsible, because the market reacted favorably to what we did.

Unfortunately, there were some unintended consequences. Some of the proposals that were made and the changes in the delivery of health care have had unintended consequences. When we have unintended consequences, reasonably intelligent people make decisions to change that which we did not intend.

We have a unique situation today in which, because we have always done it this way, we reimburse some hospitals more than others. If you happen to be in a major metropolitan area, you can get reimbursed 30 percent or 40 percent more for doing the same thing than in that rural small town hospital.

We hear this, and a lot of times our constituents raise the flag of concern, and we react to them. Sometimes they are crying wolf when they ought not to be, or they are making it out worse than it really is.

But in this case, I do not think there is anyone out there today that suggests that the rural health care concerns are not very real. I always ask, whatever subject we are talking about, when somebody says they have a problem with the government and I am involved, I ask them to prove it to me, show me, give me some hard numbers.

I will not mention names, but I will use this example. There are two hospitals, one in my district, one I used to represent just outside my district, two hospitals 20 miles apart. One is in the Dallas-Fort Worth metropolitan area. The other is just outside. They brought me the hard evidence. The one in the rural area received \$900,000 less last year for doing the exact same services, apples to apples. The only difference is the reimbursement area.

Mr. Speaker, I would hope that most folks, both at HCFA, health and human services, and we in the Congress in the relevant committees, would say, as we say privately, it seems, those with the responsibility, say, yes, that is wrong. It needs to be changed.

Here it is, September 15. I met with about 20 of my 24 hospitals when I was home during the August break, all of them with an urgency of the fact they are running in the red and they are having a difficult time, saying, when are you going to make some of these changes?

I hope next week. I hope we will truly bring this to the floor, to the relevant committees, deal with it in a responsible way. But that is the thing that gets overlooked from time to time here. We made a decision with the balanced budget agreement, but that is not written in stone, particularly if it is having unintended consequences and is not working as was intended.

I do not think any reasonable people, and I would like to believe that our